

Decision 91-04-073

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of)
 Pacific Bell for authorization to)
 increase intrastate rates and) Application 85-01-034
 charges applicable to telephone) (Filed January 22, 1985)
 services furnished within the State)
 of California.)

And related proceedings.)

I.85-03-078
 OII 84
 Case 86-11-028

ORDER MODIFYING DECISION 90-12-026
AND DENYING REHEARING

Pacific Bell (Pacific) has filed an application for rehearing of Decision 90-12-026, in which we granted intervenors' fees and costs to Toward Utility Rate Normalization (TURN).

We have carefully considered all of the allegations of error raised in Pacific's application. Although we have concluded that the application for rehearing should be denied, upon reconsideration, we believe that the decision should be modified as set forth in the attached revised pages to Decision 90-12-026.

THEREFORE, for good cause appearing,

IT IS HEREBY ORDERED:

1. That Decision 90-12-026 is modified as follows:

a. Findings of Fact 3 and 4 are replaced by the following:

"3. TURN's participation in this Modernization Phase III of A.85-01-034 led to the adoption of modifications to the proposed settlement which better defined and clarified the activities to be performed by SRI under the settlement agreement and also required SRI to distribute contemporaneously to both Pacific Bell and DRA any deliverable material

developed by SRI during implementation of the 90-12 settlement agreement.

4. "TURN's participation also focused attention on the use of a reasonable revenue base for distribution of refunds to customers. Even though TURN's specific recommendation was not adopted because it would have required creation of yet another billing base, the policy behind TURN's recommendation is partially reflected in the use of a refund billing base which will ensure that residential customers receive their fair share of the refund."

b. Conclusion of Law 1 is replaced by the following:

"1. TURN made a significant and substantial contribution to the record in the Modernization Phase III of A.85.-01-034 which is reflected by the adoption of modifications to the settlement agreement proposed by Pacific and DRA which adopt in part TURN's recommendations that the role of SRI be clarified, that DRA be given the timely opportunity to oversee SRI's implementation of the settlement agreement, and that the revenue base used for distribution of refunds be one which will fairly compensate residential ratepayers for the economic damage resulting from Pacific's alleged poor investment practices."

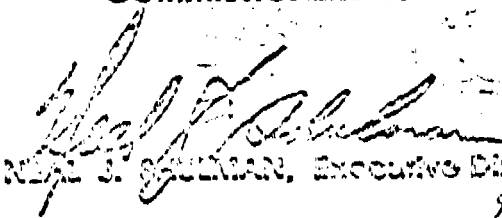
2. That rehearing of Decision 90-12-026 is denied.

3. That the Executive Director should serve a copy of this decision on the parties listed in Appendix A ("List of Appearances") to D.90-12-026.

This Order is effective today.

Dated April 24, 1991, at San Francisco, California.

I CERTIFY THAT THIS DECISION
WAS APPROVED BY THE ABOVE
COMMISSIONERS TODAY


NEIL J. GOLDMAN, Executive Director

PATRICIA M. ECKERT
President
G. MITCHELL WILK
JOHN B. OHANIAN
DANIEL Wm. FESSLER
NORMAN D. SHUMWAY
Commissioners